

VZCZCXYZ0002
PP RUEHWEB

DE RUEHCV #2140 3102022
ZNY CCCCC ZZH
P 062022Z NOV 07
FM AMEMBASSY CARACAS
TO RUEHC/SECSTATE WASHDC PRIORITY 0052
INFO RUEHBO/AMEMBASSY BOGOTA 7573
RUEHLP/AMEMBASSY LA PAZ NOV LIMA 0885
RUEHQT/AMEMBASSY QUITO 2699
RHEHNSC/NSC WASHDC
RUMIAAA/HQ USSOUTHCOM MIAMI FL
RUCPDO/DEPT OF COMMERCE
RUEATRS/DEPT OF TREASURY

C O N F I D E N T I A L CARACAS 002140

SIPDIS

SENSITIVE
SIPDIS

HQ SOUTHCOM ALSO FOR POLAD
TREASURY FOR MMALLOY
NSC FOR JCARDENAS AND JSHRIER
COMMERCE FOR 4431/MAC/WH/MCAMERON

E.O. 12958: DECL: 11/06/2017
TAGS: [PGOV](#) [ECON](#) [VE](#)
SUBJECT: FEDECAMARAS SPEAKS OUT AGAINST CONSTITUTIONAL
REFORM

Classified By: Acting Economic Counselor Shawn Flatt for reasons 1.4 (b)
) and (d).

¶1. (SBU) Fedecamaras, Venezuela's premier umbrella business association, has added its voice to those opposed to Chavez' proposed constitutional reforms. During a meeting on November 2, Jose Manuel Gonzalez, President of Fedecamaras, handed the Ambassador a paper discussing Fedecamaras' position. Also on November 2, Gonzalez gave a short speech at a press conference outlining the association's reasons for opposing the reform. In the paper and speech, Gonzalez attacked the proposed reforms as undemocratic and illegal, arguing, like many others, that they constituted a "new coup by the state against democracy in Venezuela."

¶2. (SBU) Gonzalez based his critique in part on economic grounds, noting that the proposed reforms will only exacerbate Venezuela's economic problems, including inflation, scarcity, unemployment, and corruption. In a separate paper available on its website, Fedecamaras specifically attacked the proposal to undo the autonomy of the central bank, calling it "contrary to equilibrium in the money market and to a sane economy." In his paper and speech, Gonzalez also attacked the proposed reforms on political grounds, noting, for example, that they threatened to reverse decentralization and to concentrate power in an authoritarian and autocratic state governed by a president who wanted to perpetuate his hold on power. Making passionate reference to the protests organized by university students, Gonzalez called on all Venezuelans "to come out against the reform, rejecting it, denying it, and impeding its approval."

¶3. (C) Comment: It is not likely that Fedecamaras' position will change the thinking of the Chavista base. It is nevertheless one more noteworthy voice raised against the proposed reforms. Fedecamaras' categorical rejection of the proposals is also illustrative of the increasingly polarized atmosphere in which the campaign to adopt or reject the reforms will be carried out over the coming weeks.
DUDDY